

# STATE OF MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION 35 STATE HOUSE STATION AUGUSTA, MAINE 04333-0035

Anne L. Head Commissioner

### **MEMORANDUM**

To: Advisory Committee on Health Exchange Legislation

From: Anne L. Head

Subject: Administration Recommendation on Structure/Governance

Date: September 13, 2011

This memorandum responds to the Committee's request that I submit a written recommendation regarding the Administration's preference for the structure and governance of a health exchange entity for Maine. I am happy to discuss the recommendation below at the Committee's convenience.

### **Administration Recommendation:**

- State agency within existing executive branch department (Professional and Financial Regulation)
- Supported by advisory committee
- Directed by staff (Director) employed by the Department after consultation with advisory committee

## **Advantages:**

Full accountability and transparency to administration, policy makers, stakeholders and the public for activities/finances through commissioner;

Direct link to State administration, direct ability to coordinate with other state agencies (Medicaid, Bureau of Insurance);

Full participation of stakeholders through advisory committee without raising conflict of interest issues;

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Department familiarity with state administrative procedures, open meetings, freedom of access and privacy requirements, personnel rules, etc.;

Start up costs associated with exchange could be lower than other options;

Dedicated revenue environment

# **Disadvantages:**

Exchange would be assessed proportional share of department overhead costs based on budget;

Exchange decision-making subject to political pressure from internal and external sources;

Subject to state procurement and personnel rules

cc: Kathleen Newman, Governor's Office Katrin Teel, Governor's Office